

Value-Added Producer Grant (VAPG) Program

Fiscal Year 2006



Committed to the future of rural communities.

VAPG FY 2006

VAPG Application Workshops

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Authorization

- Agriculture Risk Protection Act of 2000, section 231 (Pub. L. 106-224)
- Farm Security and Rural Investment Act of 2002, section 6401 (Pub. L. 107-171)



Purpose

The Value-Added Producer Grant (VAPG) Program is intended to provide grant funds to agricultural producers for planning activities and working capital expenses to assist them in receiving a greater share of the consumer's dollar for value-added agricultural products.

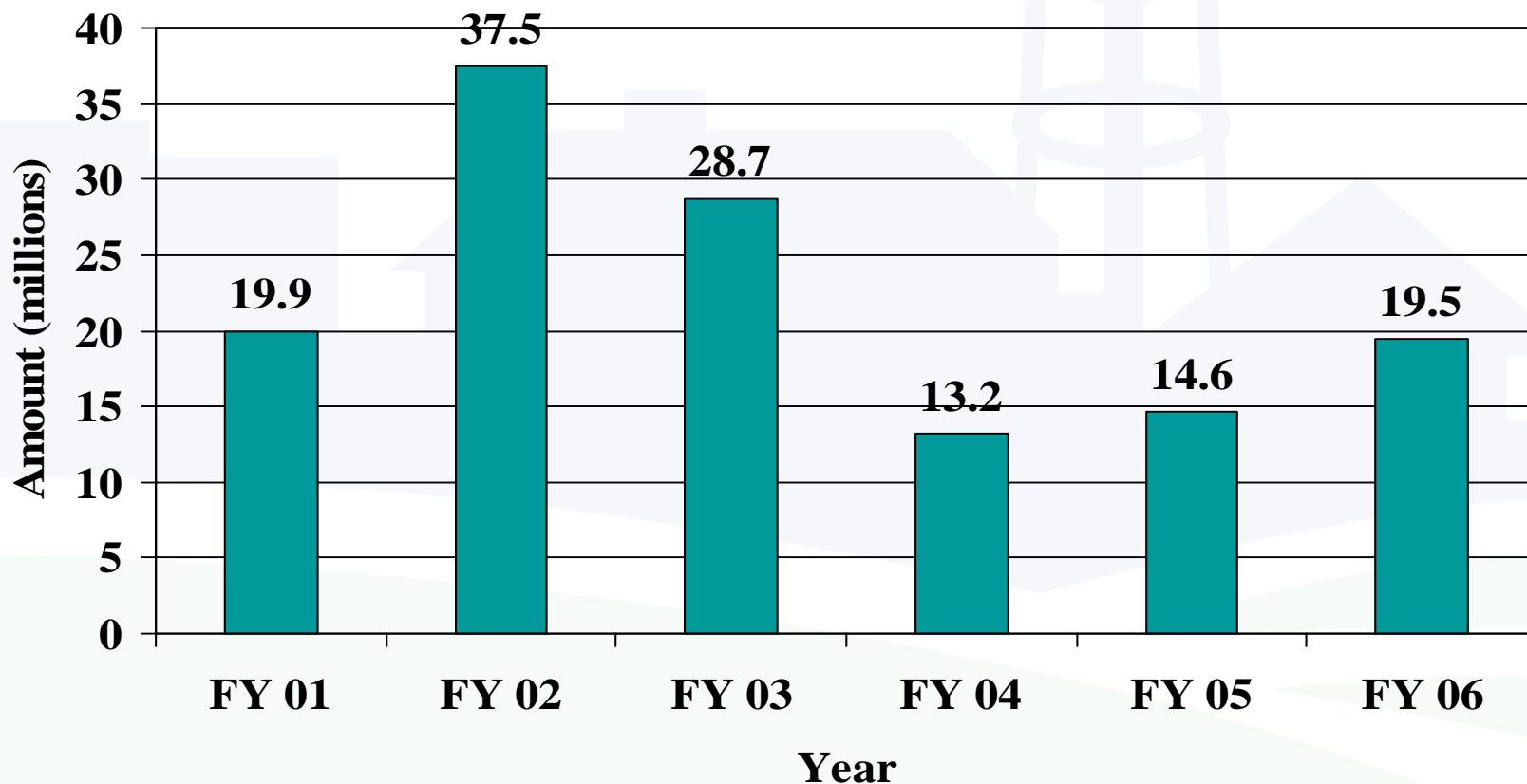


Policy

It is the policy of the Agency to fund a broad diversity of projects that help increase the agricultural producers' customer base and share of the food and agricultural system profit, including projects likely to increase the profitability and viability of small and medium-sized farms and ranches.



Funding



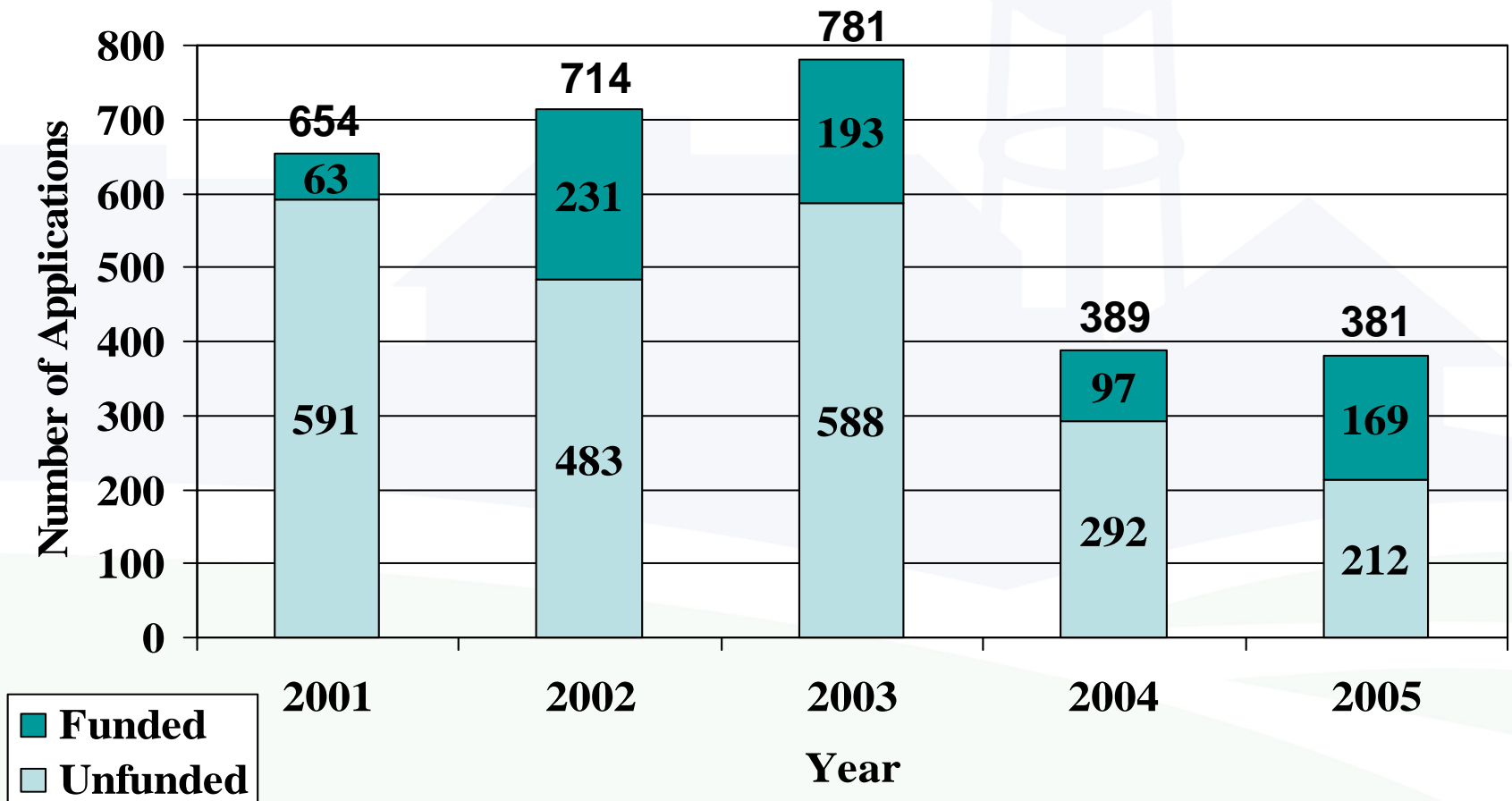
Note: FY 06 is estimate based on proposed appropriations bill language



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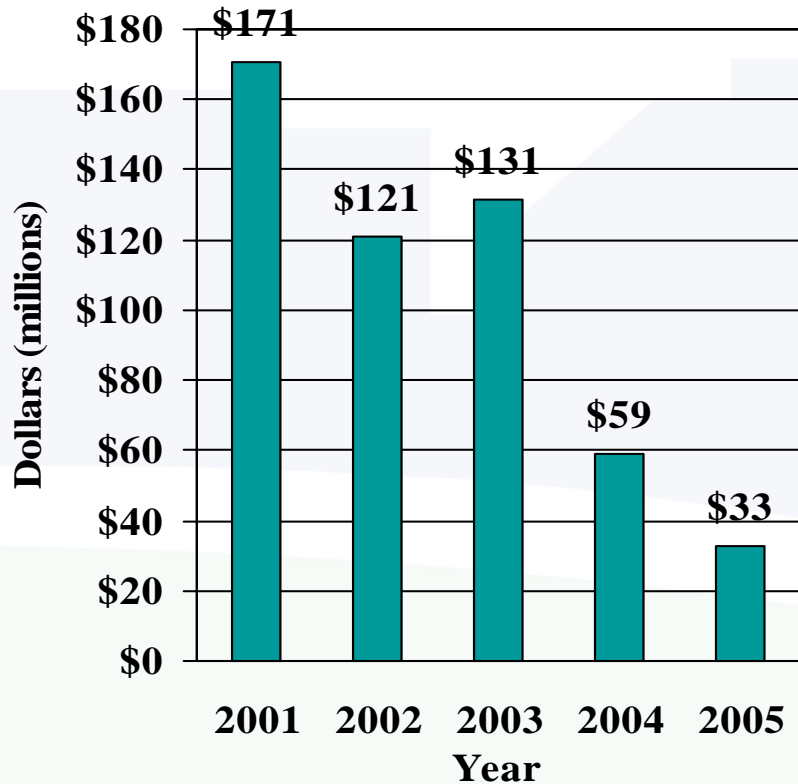
VAPG FY 2006

Applications

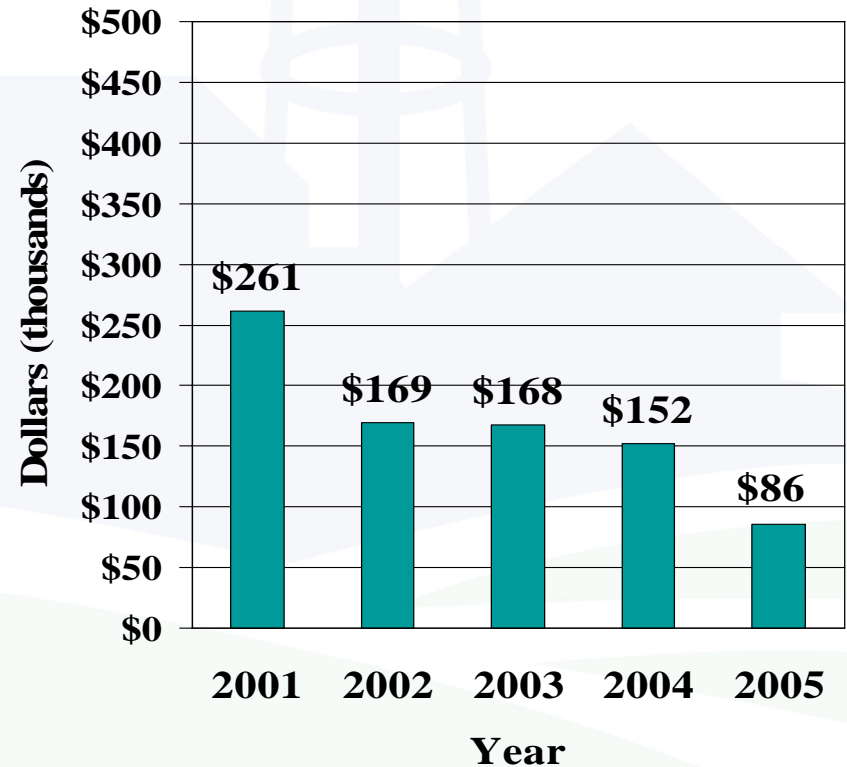


Statistics

Total Amount Requested



Average Amount Requested



Application Processing

- Eligibility
- Application
- Evaluation
- Application Submittal
- Scoring
- Awards



Applicant Eligibility

- Independent Producer
- Farmer or Rancher Cooperative
- Agricultural Producer Group
- Majority-Controlled Producer-Based Business Venture



Matching Eligibility

- Matching funds of at least 50% of total project costs are required
- Match must be spent at a rate equal to or greater than grant funds
- Match must be provided by the applicant or a third-party in the form of cash or in-kind funds
- Match must be spent on eligible purposes and must be from eligible sources

Other Eligibility

- Product eligibility
- Activity eligibility
- Grant period eligibility
- Completeness eligibility
- Multiple grant eligibility
- Current grant eligibility

Product Eligibility

- Change in physical state (e.g. lamb cuts, diced tomatoes, wine, and animal feed)
- Differentiated production or marketing (e.g. organic lettuce and free-range chickens)
- Product segregation (e.g. identity-preserved commodities such as corn)
- Farm-based renewable energy (e.g. on-farm wind energy and electricity produced from an anaerobic digester)

Activity Eligibility

- Planning Activities (e.g. feasibility study, business plan, marketing plan)
 - Maximum grant is \$100,000
- Working Capital (e.g. labor, inventory, advertising)
 - Maximum grant is \$300,000



Grant Period Eligibility

- Applications cannot have a timeframe of more than 365 days
- Applications cannot request funds after December 31, 2007



Completeness Eligibility

- Applications must contain all requested elements to be considered for funding
- Applications missing four or fewer elements by the deadline will be given the opportunity to submit those elements

Completeness

- \$19.475 million in competitive grants funds for fiscal year (FY) 2006 are at stake. Of this amount \$1.5 million is set aside for applicants requesting \$25,000 or less.
- Reviewers have a very difficult job
- Aim for compelling, concise and clear ordinary language
- Make every chart, graph or table count

Multiple Grant Eligibility

- An applicant may not receive more than one grant in any funding cycle
- Multiple applications may be submitted, but if more than one application scores high enough to be funded, only that highest ranked application will be funded
- Applicants who have already received a planning grant for a project cannot receive another planning grant for the same project
- Applicants who have already received a working capital grant for a project cannot receive another working capital grant for the same project

Current Grant Eligibility

- If the applicant currently has a VAPG, the grant period for that grant must be scheduled to expire by December 31, 2006



Application Format

- Font size = 12 point
- Paper size = 8.5 by 11 inches
- Page margin size = 1 inch
- Printed on one side of page
- Held together only by rubber bands or clips
- In English
- Black and white

Required Elements

- Required Forms
 - SF-424
 - SF-424A
 - SF-424B
- Title Page
- Table of Contents
- Executive Summary
- Eligibility Discussion
- Proposal Narrative
- Conflict of Interest Disclosure
- Certification of Judgment
- Verification of Matching Funds
- Certification of Matching Funds



Required Elements

- Standard Application Forms
 - SF-424, “Application for Federal Assistance”
 - CFDA Number = 10.352
 - SF-424A, “Budget Information – Non-Construction Programs”
 - SF-424B, “Assurances – Non-Construction Programs”

Required Elements

- Title page
- Table of Contents
- Executive Summary
 - Not to exceed one page
 - Briefly describe the project
- Eligibility Discussion
 - Four pages maximum
 - Address all three areas of eligibility

Required Elements

- Proposal Narrative - Not to exceed 35 pages and must include the following elements
 - Project Title
 - Information Sheet
 - Goals of the Project
 - Work Plan and Budget
 - Pro-Forma Financial Statements
 - Working Capital grant only
 - Performance Evaluation Criteria
 - Proposal Evaluation Criteria
 - Must address all 11 criterion which are activity specific

Required Elements

- Conflict of Interest Disclosure
- Certification of Judgment
 - Use required language for the certification
- Verification of Matching Funds
 - Cash (Bank Statement)
 - Loan or Line of Credit (Lending Institution Statement)
 - In-Kind (Authorized Representative Statement)
- Certification of Matching Funds
 - Use required language for the certification

Required for VAPG Application

- DUNS Number
 - www.dnb.com
 - Click on 'Get a D&B D-U-N-S Number'
 - Click on 'For US Government Contractors, Vendors and Grant Recipients'
 - Click on 'Start New Registration'
 - In pop-up window, click on 'Click here'
- Employer Identification Number (EIN)
 - IRS form SS-4
 - www.irs.gov/pub/irs-pdf/fss4.pdf

Project Title

- Brief, not to exceed 75 characters
- Describe the essentials of the project
- Should match the project title on the SF-424
- Can be included on the Title Page and/or the Information Sheet

Information Sheet

- One page listing each of the evaluation criteria referenced in the NOSA followed by the page numbers of all relevant material contained in the proposal that address or support each criterion.
- Different criteria for Planning v. Working Capital grants

Goals of the Project

- Clear statement of the ultimate goals of the project
- How a market will be expanded
- How incremental revenue will flow to the producers



Work Plan and Budget (Example)

	Start	End	Budget			
Task	Date	Date	Federal	Cash	In-Kind	Total
Task 1						
Responsible Staff:						
Task 2						
Responsible Staff:						
Task 3						
Responsible Staff:						
Task 4						
Responsible Staff:						
Total Cost of Project						



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Pro-Forma Financial Statements

- Three years of pro-forma financial statements, including an explanation of all assumptions
- Must include cash flow statement, income statements and balance sheets
- Income statements and cash flow statements must be monthly for the first year, then annual the next two years
- Balance sheets should be annual for all three years
- Will not count as part of the 35 page limit



Performance Evaluation Criteria

- Suggest criterion by which the recipients performance under the grant will be evaluated
- Not the same as PROPOSAL Evaluation Criteria
- Must supply at least one Performance Evaluation Criteria for Planning grants
- Several criteria for Working Capital grants

Proposal Evaluation Criteria

- All eleven proposal evaluation criteria in the NOSA must be addressed
- Separate evaluation criteria for Planning grant v. Working Capital grant



Go For Maximum Points

- Planning Grant

Max Points

– Nature of Proposed Venture:	10	*
– Qualifications of Those Doing Work:	10	*
– Commitments and Support:	10	*
– Project Leadership:	10	*
– Work Plan/Budget:	10	*
– Amount Requested:	1	
– Cost per Owner-Producer:	2	
– Business Size:	10	
– Number of Grants:	0	
– Presidential Initiative of Bio-Energy:	5	
– <u>Administrator Points:</u>	<u>5</u>	
Total	73	

***Evaluated by Independent Reviewers**



Go For Maximum Points

Working Capital Grant

Max Points

– Business Viability:	10	*
– Customer Base/Increased Returns:	10	*
– Commitments and Support:	10	*
– Management Team/Work Force:	10	*
– Work Plan/Budget:	10	*
– Amount Requested:	1	
– Cost per Owner-Producer:	2	
– Business Size:	10	
– Number of Grants:	0	
– Presidential Initiative of Bio-Energy:	5	
– <u>Administrator Points:</u>	<u>5</u>	
Total	73	

*** Evaluated by Independent Reviewers**



Application Submission

- Deadline is March 31, 2006
- In paper to: Cooperative Programs
Attn: VAPG Program
1400 Independence Ave. SW
Mail Stop 3250, Room 4016-South
Washington, DC 20250-3250

FedEx packages: (202) 720-7558

- Electronically through <http://www.grants.gov>



Scoring Process

- Proposal Evaluation
 - Independent Review
 - State Office Review
- Normalization
- Administrator Points



Funding Decisions

- The Administrator of Business and Cooperative Programs makes the final funding decisions
- Applications will be funded in rank order until all available funds are expended



Award Process

- Successful applicants notified by State Office
- Unsuccessful applicants notified by State Office within 45 days of funding decision
 - Can request informal review, mediation, or formal appeal

2006 VAPG Timeline

Date	EVENT
December 21	Publish Notice of Solicitation in Federal Register.
March 31	Application deadline.
May 12	Deadline for State Offices to finish determining eligibility and send incomplete letters.
June 30	Deadline for the RD independent review to be completed.
July 28	Deadline for all reviews (both independent and state office) to be completed.
July 28	Deadline for project information sheets for eligible proposals to be completed by state offices.
August 11	Final ranking to Administrator.
August 25	Grant award announcements.



Contact Information

Program Websites

- <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>
- <http://www.rurdev.usda.gov/ks>

Rural Development State Contact

F. Martin Fee
Business and Community Programs Specialist
(785) 271-2744
Email: martin.fee@ks.usda.gov



Useful Links

Federal Register

<http://www.gpoaccess.gov/fr/index.html>

Code of Federal Regulations

<http://gpoaccess.gov/cfr/index.html>

Office of Management and Budget

<http://www.whitehouse.gov/omb>

Federal Acquisition Regulation

<http://www.arnet.gov/far/>

